



Senate Republican Office of Policy

# Briefing Report

## *End of Session Report*

### 2003

September 17, 2003  
Report Number MISC-03-04

*This briefing report includes a listing of bad bills that were on the Senate Daily File during the closing week of the 2003-04 session. If you have any questions about this report, please call Cynthia Bryant, Senate Republican Policy Director, at 916/323-9221 or the consultant listed for each sections.*

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## Agriculture & Water Resources Legislation

### ◆ **AB 185 (Jerome Horton)**

Requires Los Angeles County to permanently hire agricultural inspector aides rather than providing flexibility to use them on a temporary basis. The net effect is to drive up costs to taxpayers. According to Los Angeles County, if this bill becomes law it could cost the county taxpayers \$1 million per year to convert the 60 temporary/seasonal, non-degree Inspector Aid positions to permanent positions, an amount the County can ill-afford.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

### ◆ **AB 514 (Kehoe)**

Mandates water metering for 175,000 customers in Northern and Central California that utilize the Central Valley Water Project. This circumvents local control, especially for residents of Fresno. Fiscal estimates are in the \$150 million range. These costs will ultimately be absorbed by taxpayers and ratepayers.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

### ◆ **AB 1771 (Water Committee)**

Reclassifies five bills which appropriated Prop 40 money from 2002 as "Budget" bills, in accordance with the language in Prop 40, the \$2.6 billion "California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002."

*Senate Floor Vote: 23-13*

*Status: Enrolled*

*For more information on water and agriculture issues, contact Greg Maw at 916/324-5525 or at [greg.maw@sen.ca.gov](mailto:greg.maw@sen.ca.gov).*

## **Banking, Commerce & International Trade Legislation**

The Banking Committee had a light year. This may be due to the relative newness of committee staff -- the consultants in both houses were new to the committees this year. As a result, the committees have lacked a consistency and do not seem to have substantial guidance or leadership. The Senate committee has held numerous informational hearings, with no follow-up. This occurred despite the fact that a number of "hot-button" issues exist, including the federal deregulation of media ownership, federal preemption of the state's authority to regulate or license bank-subsidiary mortgage lenders, and the immanent demise of the state's foreign trade offices. In an apparent attempt to create news flashes, the Senate Committee has appeared to be running in front of issues in order to appear leading, but has not followed up to try to better the situation for Californians affected by these issues.

### ***International Trade***

The budget not only dissolved the State's foreign trade offices, but also dissolved the entire Technology, Trade & Commerce Agency. The Agency and foreign trade offices accounted for, at most, one percent of California trade, although this figure is suspect. With the demise of the Agency and foreign offices, however, it would behoove the Legislature and the Governor's Office to consider efforts to redirect users of Agency resources to other entities, such as private industry, the federal Department of Commerce, or other state agencies, that could fill the void created by the demise of the Technology, Trade & Commerce Agency. Late gut and amend bills attempted to reverse the Budget de-funding of state trade offices by providing guidelines by which the state would be allowed to create new foreign trade offices.

### ***Predatory Lending – State Preemption***

When the State enacted the toughest predatory lending law in the United States two years ago, it specifically refrained from preempting local governments from imposing still harsher penalties and regulatory restrictions on lenders. Because of local ordinances on predatory lending, certain lenders are pulling out of those areas, thereby removing competition and raising the cost of buying a home for some of the poorest Californians. Furthermore, the secondary market has threatened to stop buying California loans because of the possibility that local ordinances will simply set aside loans found to be "predatory," thereby putting the risk that loans will not be collectable on the secondary market buyers.

#### **◆ SB 623 (Ducheny)**

Reverses the Budget de-funding of State Trade Offices and provides that, when there is sufficient state and private funding available, overseas offices of foreign relations shall be established.

*Senate Floor Vote: was not considered on Senate Floor after passed on Assembly Floor 44-30*

◆ **AB 1775 (Banking and Finance)**

Doubles the amount of tangible equity required to be held by a money transmitter from \$250,000 to \$500,000. Doubling the amount of equity required may lead to fewer local money transmitters, in favor of larger institutions which may be more difficult for potential customers to reach, and in many cases large institutions only offer this service to account holders.

*Senate Floor Vote: 24-13*

*Status: Enrolled*

◆ **SB 590 (Speier)**

This bill was completely rewritten in the Assembly. As rewritten, SB 590 prohibits a seller from requesting personal information from a consumer. Requires that the customer shall be provided with a reasonable opportunity to direct that the personal information not be disclosed. Provides for a disclosure of the customer's rights under this measure in a retail environment. This places an unreasonable restriction on the relationship between businesses and their customers. The specified restrictions could generally have a chilling effect on commercial transactions that otherwise provide efficient and beneficial services to consumers. This legislation is another example of excessive regulation that discourages the operation and growth of retail purchase business in California.

*Senate Concurrence: 25-12*

*Status: Enrolled*

*For more information on banking, commerce and international trade issues, contact Ryan Eisberg at 916/445-6637 or at [ryan.eisberg@sen.ca.gov](mailto:ryan.eisberg@sen.ca.gov).*

# Business & Professions Legislation

## **Spam**

### ◆ **SB 186 (Murray)**

Prohibits a person or entity from initiating an unsolicited commercial e-mail ad from California and an unsolicited commercial e-mail ad to a California e-mail address, regardless of whether or not the recipient has a way to stop repeated emails. Authorizes the recipient of an unsolicited commercial e-mail ad to bring an action to recover actual damages, or may elect to recover and liquidated damages, \$1000 for each unsolicited commercial e-mail ad sent in violation of this bill, or \$1,000,000 per incident, whichever is less.

While spam can certainly be a problem, it would be better to rely on technology to solve the problem of spam, rather than having the government attempt to do so. Internet service providers have the greatest incentive to block spam, since it is an important issue for their customers. A state ban seems unlikely to be effective in regulating spam that originates outside the state or outside the U.S., and can lead to numerous lawsuits.

*Senate Floor Vote: 29-8*

*Status: Enrolled*

## **Emergency Contraception**

### ◆ **SB 545 (Speier)**

Limits dispensing fees for pharmacists dispensing emergency contraceptives to no more than \$10 and eliminates the requirement that pharmacists undergo specified training in emergency contraception. It clarifies that a pharmacist need not provide a consultation for emergency drug therapy in excess of current regulations and that a pharmacist need not maintain patient medication records that differ from current regulation. The purpose of this bill is to make abortion drugs more widely available by allowing easier access and wider distribution of RU-486, the “morning after” pill.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

### ◆ **SB 490 (Alpert)**

Authorizes a pharmacist to prescribe emergency contraception drug therapy in accordance with the standardized procedures developed by both the Board of Pharmacy and the Medical Board of California. Creates a state-mandated program by requiring a training program for pharmacists before performing emergency contraception drug therapy. This bill makes the “morning-after pill” more widely available.

*Senate Floor Vote: 25-12*

*Status: Enrolled*

## **Health Practice**

### ◆ **SB 907 (Burton)**

Creates the Naturopathic Doctors Act to license naturopathic doctors in California. Naturopathic medicine is one of the oldest continuously licensed professions in the United

States. It's origins can be traced back to the late 19th century European doctors, who wanted to re-orient medicine toward healthful living. It was brought to the US in the 1890s and quickly drew many doctors with an interest in diet, exercise, physical medicine, and natural medicines (herbs and homeopathy).

This bill has well-intended effects like better health care access and safer medicine, yet these are not the true consequences of regulation and licensing. This bill opens the door for another bureaucratic bureau to continue the trend of more benefits under Medi-Cal. Naturopathic medicine exists in California already, but there is no need to change the marketplace by giving *some* naturopaths a legal bureaucracy to limit competition.

*Senate Floor Vote: 26-12*

*Status: Enrolled*

#### ◆ **AB 715 (Chan)**

Muddies California's medical privacy law by requiring that a health care provider or health plan contractor obtain a patient's permission before the patient's medical information can be used for marketing purposes. Includes a prohibition on pharmacies providing data to suppliers, which would be used to market directly to physicians, unless the marketing piece met specific requirements including an "opt out" option. The bill seeks to address the practice of pharmaceutical companies, or other third parties, paying health care providers to market health care products and services to their patients.

This is a minor problem, at best. There is no indication that pharmaceutical companies are disclosing or have disclosed any private or sensitive information that they are legally bound to keep confidential. Moreover, federal law already has safeguards in place to protect patients' confidentiality when disclosure of personal information is attempted. This bill would provide more protection for health information; however, it may constrain appropriate activities, including reminders about prescriptions.

*Senate Floor Vote: 22-13*

*Status: Enrolled*

#### ◆ **SB 292 (Speier)**

Requires prescription labels on drug containers to include a physical description of the drug including its color, shape, and any identification code on the drug, in addition to the current requirements. Exempts prescriptions dispensed in a health facility by a licensed health care professional from the provisions of this bill.

Pharmacists, like the rest of the provider community, are struggling with low public and private reimbursement rates along with other costs that make doing business in California difficult. An excess of mandates on pharmacies will have dire consequences on the Medi-Cal program, as pharmacists will be less willing to accept poor Medi-Cal rates. This is not an appropriate time to further burden pharmacies with additional mandates.

*Senate Floor Vote: 24-13*

*Status: Enrolled*

### **Fees**

#### ◆ **SB 358 (Figueroa)**

Increases the biennial licensure renewal fee from \$5 to \$10 to be deposited into the Registered Nursing Education Fund.

*Senate Floor Vote: 29-7*

*Status: Enrolled*

◆ **SB 362 (Figueroa)**

Doubles the administrative fine that the Board of Barbering and Cosmetology can assess, from \$2,500 to \$5,000, and allows for a separate fee to be charged for the *actual cost* of each profession's application and exam.

*Senate Floor Vote: 26-10*

*Status: Enrolled*

◆ **SB 363 (Figueroa)**

Increases the renewal fees for geologists and geophysicists from \$200 to \$400. Increases the renewal fee for a specialty geologist or for a specialty geophysicist from \$50 to \$100.

*Senate Floor Vote: 25-15*

*Status: Enrolled*

**Miscellaneous Issues**

◆ **AB 202 (Corbett)**

Places restrictions on the sale of unweaned birds in pet shops, while exempting publicly operated pounds and humane societies. Typically, "unweaned birds" are exotic birds such as parrots, amazons, cockatoos, lorikeets, lories, macaws, and parakeets that are hand fed within the first few weeks of birth in an effort to domesticate them more easily.

The author argues that such birds are often sold to customers who are unfamiliar with the requirements and subtleties of feeding a bird by hand. Current law already requires retail pet shop owners to provide literature with each animal sold which educates the purchaser on the care and safety of the animal. While, it is likely that problems have occurred with unweaned birds, the numbers are too insignificant for government to step in with new, unfair and discriminatory laws.

*Senate Floor Vote: 21-16*

*Status: Enrolled*

*For more information on business and professions issues, contact Martin Ruano at 916/323-8890 or at [martin.ruano@sen.ca.gov](mailto:martin.ruano@sen.ca.gov).*

# Education Legislation

## **Accountability**

### ◆ **SB 495 (Vasconcellos)**

Weakens the accountability program by adding a requirement that broad inputs into the educational system be established and measured in an “Opportunities for Teaching and Learning Index.” Takes focus off of narrow, research-based findings; opens up can of worms, potentially, with regard to providing more money to schools for limited result.

*Senate Floor Vote: 25-13*

*Status: Enrolled*

### ◆ **AB 1137 (Reyes)**

Perpetuates the double standards that charter schools are forced to follow despite being public schools. Makes numerous changes to the charter school statutes granting some flexibility in exchange for higher academic standards and tighter fiscal accountability.

*Senate Floor Vote: 23-12*

*Status: Enrolled*

### ◆ **AB 1485 (Firebaugh)**

Holds hostage \$145 million in federal Reading First funding unless the State Board of Education amends California’s already federally-approved Reading First state plan to grant first priority for these funds for Prop. 227 waiver (i.e., bilingual) classes; also reduces state nationally-normed test to just 2 grades, depriving high school students, parents, and teachers of a means to compare California student performance with the nation.

*Senate Floor Vote: 25-15*

*Status: Enrolled*

### ◆ **ACR 66 (Pavley)**

Urges the State Board of Education to continue to delay the high school exit exam for everyone until issues are resolved regarding appropriate testing measures for disabled pupils. Encourages the SDE to develop and the SBE to adopt guidelines, including an alternate assessment, for students who cannot participate in the exam and accommodations are not appropriate.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

## **Social Agendas**

### ◆ **SB 71 (Kuehl)**

Establishes the California Comprehensive Sexual Health and HIV/AIDS Prevention Act – a backhanded attempt to “modernize” sexual education guidelines to include “committed relationships” and “sexual orientation” through the guise of simplifying, streamlining, and renumbering. Among other things, it repeals existing guidelines regarding abstinence education specifics, the laws pertaining to parents’ financial responsibility to children born in and out of wedlock, and that it is unlawful to have sex outside of marriage under the age of 18.



*Senate Concurrence: 24-14*

*Status: Enrolled*

◆ **SB 677 (Ortiz)**

Expands existing restrictions on the sale of certain beverages in schools by expanding restrictions on the types of beverages allowed to be sold in middle and junior high schools and by eliminating, as a condition for implementation of restrictions in elementary, middle and junior high schools, a requirement that funds be appropriated for certain programs.

*Senate Concurrence: 22-14*

*Status: Enrolled*

◆ **AB 54 (Oropeza)**

Codifies a provision requiring a study focusing on 10 “culturally diverse” schools to analyze the availability and effectiveness of cultural competency training for teachers and administrators. Another example of bureaucratic waste when California schools need all available resources spent in the classroom.

*Senate Floor Vote: 25-13*

*Status: Enrolled*

◆ **AB 96 (Bermudez)**

Substitutes the term “high-priority” for “low-performing schools” in every portion of the Education Code. Does nothing to actually improve performance, but just assumes that these kids will feel better if the term “high priority” is used to define their school, as opposed to challenging them to perform at a higher level to boost confidence and esteem.

*Senate Floor Vote: 23-12*

*Status: Enrolled*

◆ **AB 1548 (Pavley)**

This bill establishes the Office of Education on the Environment (OEE) within the California Environmental Protection Agency and requires it to develop environmental education principles and a model curriculum.

*Senate Floor Vote: 24-13*

*Status: Enrolled*

◆ **ACR 85 (Kehoe)**

Commends the Respect for All Project of the Women’s Educational Media. Encourages schools to use this program that allows children to learn from other children about family diversity. This program promotes the acceptance of diverse family lifestyles that many parents do not find acceptable.

*Senate Floor Vote: 22-13*

*Status: Enrolled*

## **School Facilities**

### ◆ **AB 1124 (Nunez)**

Prioritizes that local school districts' routine or deferred maintenance funding be used to keep school restrooms clean and functional, but does not mandate that it be the *first* priority. Local schools have the ability to keep restrooms clean and functional without the Legislature telling them it should be a priority.

*Senate Floor Vote: 24-12*

*Status: Enrolled*

### ◆ **SB 892 (Murray)**

Requires public and private schools to keep bathrooms clean, stocked, and open. Makes the State Allocation Board (SAB) the "potty police" and makes a school district ineligible for state deferred maintenance funding if in violation of the bill.

*Senate Floor Vote: 23-10*

## **Teachers**

### ◆ **AB 954 (Goldberg)**

Potentially weakens teacher quality by increasing the interval between teacher evaluations for almost all teachers employed by a school district for at least 10 years.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

## **Other**

### ◆ **SB 39 (Perata)**

Appropriates a \$100 million emergency loan to, and requires a state takeover of, the Oakland Unified School District (OUSD).

*Senate Floor Vote: 28-9*

*Status: Enrolled*

### ◆ **AB 163 (Nation)**

This bill combines three unrelated items addressing public education: 1) Allows the Governor to appoint four more assistant superintendents of public instruction to the SDE; 2) Extends the 2001-02 instructional year for the Fairfield-Suisun School District in order to allow the district to receive \$14 million in ADA earned after the close of the fiscal year; and 3) Creates an exception to the 9<sup>th</sup> grade Class Size Reduction program by authorizing Tamalpais Union High School District (on a pilot basis) to pay for classes that have a maximum of 25 students.

*Senate Floor Vote: 22-10*

*Status: Enrolled*

### ◆ **AB 1309 (Goldberg)**

Authorizes a city or county to acquire real property for construction of new school site replacement housing, if the acquisition of a school site by a school district results in a loss of housing, and if the local governing agency has determined that an extreme shortage of affordable housing, as defined, exists in the vicinity of the school site. Requires the

adoption of a replacement housing plan, and for that plan to provide for the development of at least: 1) the number of housing units already on the property acquired for replacement housing; and, 2) 75% of the dwelling units demolished in connection with the new school site construction. Requires that a specified number of the dwelling units developed be available at an affordable cost.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

◆ **SB 253 (Cedillo)**

Redefines “confidential employee” to more narrowly categorize public school employees who are currently excluded from joining union organizations according to the initial agreements set forth allowing collective bargaining. Deletes the authority of a public school employer to request an election when presented with the request from its employees to be represented by a union. Basically allows a “card-check recognition” to be the proof that the employees agree to be represented by a union organization.

*Senate Floor Vote: 24-14*

*Status: Enrolled*

◆ **SB 712 (Alpert)**

Further defines the factors that will be used to create a “Quality Education Model,” which is supposed to ensure *adequacy* of funding for schools, rather than *equality* of funding. Guess where that leads? More money for failing schools.

*Senate Floor Vote: 24-15*

*Status: Enrolled*

**Higher Education**

◆ **SB 328 (Escutia)**

Allows certain legal and illegal immigrants (AB 540 students) to receive financial aid at the California Community Colleges. Grants tuition waivers to students here unlawfully, while the community colleges have been forced to raise tuition rates for California citizens. Opens the door for future financial aid opportunities, including Cal Grant entitlement and grants.

*Senate Concurrence: 23-13*

*Status: Enrolled*

*For more information on education issues, contact Roger Mackensen at 916/324-5391 or at [roger.mackensen@sen.ca.gov](mailto:roger.mackensen@sen.ca.gov) or Cathleen Cox at 916/322-2929 or at [cathleen.cox@sen.ca.gov](mailto:cathleen.cox@sen.ca.gov).*

## Energy, Utilities & Commerce Legislation

### ◆ **AB 909 (Reyes)**

Requires telephone companies, upon request and without charge, to disclose certain usage information for customers who buy bundled service packages. Sunsets 1/1/07.

*Senate Floor Vote: 23-12*

*Status: Enrolled*

### ◆ **AB 1379 (Calderon)**

Mandates that wireless carriers provide subscribers with access to information on their roaming usage and charges.

*Senate Floor Vote: 25-13*

*Status: Chaptered*

### ◆ **AB 1389 (Ridley-Thomas)**

Requires public utilities annually to report certain customer, employment and capital investment information to the Public Utilities Commission; requires the PUC annually to report that information to the Legislature.

*Senate Floor Vote: 22-12*

*Status: Enrolled*

*For more information on energy, utilities & commerce issues, contact Ray Thompson at 916/322-3515 or at [ray.thompson@sen.ca.gov](mailto:ray.thompson@sen.ca.gov).*

## Environmental Quality

### ◆ SB 20 (Sher)

Enacts a comprehensive electronic waste (televisions or computer monitors) collection and recycling program. Requires a fee to be collected from consumers at point-of-sale to fund the program.

*Senate Concurrence: 27-13*

*Status: Enrolled*

### ◆ SB 288 (Sher)

Prohibits an air district from adopting New Source Review (NSR) standards less stringent than those in law as of December 30, 2002. This has the effect of denying California businesses the benefit of recently adopted federal reforms of the NSR program. Extends the sunset on a fee imposed by the SCAQMD for another five years.

*Senate Concurrence: 24-13*

*Status: Enrolled*

### ◆ SB 656 (Sher)

Requires the State Air Resources Board (ARB) to create a state regulatory program for the reduction of particulate matter 10 and 2.5 (commonly called PM 10 and PM 2.5). This program would be in addition to the existing federal particulate matter regulatory program. This legislation is extremely anti-business, and should be identified as a job-killer bill.

*Senate Concurrence: 24-12*

*Status: Enrolled*

### ◆ SB 700 (Florez)

Eliminates several significant exemptions from air pollution control laws that currently exist for agriculture. This bill goes beyond what has been required by federal EPA to regulate agricultural sources of air pollution. Would subject agricultural operations to same air pollution control laws as industrial sources.

*Senate Concurrence: 24-14*

*Status: Enrolled*

### ◆ SB 705 (Florez)

Enacts a scheduled phase-out of agricultural burning in the jurisdiction of the San Joaquin Valley Unified Air Pollution Control District.

*Senate Concurrence: 24-15*

*Status: Enrolled*

### ◆ SB 709 (Florez)

This bill has been identified by the SRPO as a tax or fee increase bill. Authorizes the board of the San Joaquin Valley Unified Air Pollution Control District to implement numerous programs designed to clean the air of the of the San Joaquin Valley. Authorizes the San Joaquin Valley Unified Air Pollution Control District to impose a \$1 surcharge (fee) on the renewal of registration of motor vehicles in the district to be used to reduce air pollution from motor vehicles in the district.

*Senate Concurrence: 24-15*

*Status: Enrolled*

◆ **SB 923 (Sher)**

This is an anti-business, anti-economic recovery, job-killer bill. Imposes new conditions to receive a waiver from waste discharge permit requirements and authorizes a new annual fee to obtain that conditional waiver.

*Senate Concurrence: 23-15*

*Status: Enrolled*

◆ **SB 1004 (Soto)**

This bill has been identified by the SRPO as a tax or fee increase bill. Authorizes the State Water Resources Control Board (SWRCB) to assess an annual fee not to exceed \$100 on each owner of a perchlorate storage facility in any year when that facility reports storage of perchlorate. Enacts a comprehensive perchlorate monitoring and data collection program.

*Senate Concurrence: 24-14*

*Status: Enrolled*

◆ **AB 121 (Simitian)**

Enacts restrictions on discharge activities for large passenger vessels in marine waters of the State of California.

*Senate Floor Vote: 23-10*

*Status: Enrolled*

◆ **AB 897 (Jackson)**

Makes significant changes to California's waste discharge permit program that have the result of removing flexibility currently used by the State Water Resources Control Board (SWRCB) and regional boards to more fairly address site specific concerns. Tilts permit discharge program even more in favor of the regulators and against permittees.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

◆ **AB 998 (Lowenthal)**

This bill has been identified by the SRPO as a tax or fee increase bill. Imposes a \$3 per gallon fee on every manufacturer of perchlorethylene in California and on every person who imports perchlorethylene into California for use in dry cleaning.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

◆ **AB 1360 (Steinberg)**

Grows government by converting a voluntary internal program (The Environmental Protection Indicators for California (EPIC) project) created by Cal-EPA to a mandated program that is sure to grow and expand going forward. EPIC is supposed to track scientifically based environmental indicators (measurements) over time. Extends the program to the Resources Agency and Dept. of Health Services as well. Examples of indicators: level of air pollution, volume of solid and hazardous waste deposited in landfills, status of chinook salmon populations, extent of forest acreage.

*Senate Floor Vote: 23-12*

*Status: Enrolled*

◆ **AB 1497 (Montanez)**

Requires the operator of a solid waste facility to include in its closure plan, provisions for preferential re-employment and transfer rights of displaced employees and provisions to ensure resources are available for taking these actions. An expensive mandate for municipal solid waste landfills not to mention private sector landfills. Removes penalty cap and increases penalties by applying the penalty to first minor violation of permit.

*Senate Floor Vote: 24-16*

*Status: Enrolled*

◆ **AB 1541 (Montanez)**

Classifies failure to submit certain reports regarding waste discharges as a “serious” violation, thereby subjecting those “offenders” to a \$3,000 mandatory minimum penalty for every 30-day period the report is delinquent.

*Senate Floor Vote: 21-17*

◆ **AB 1640 (Laird)**

Broadens enforcement authority of Certified Unified Program Agencies (CUPA's) in a manner that is unfriendly to the California business climate. Authorizes a CUPA to suspend or revoke the permit of a facility (meaning a place of business), for failure to pay a permit fee, fine or penalty. Authorizes a CUPA to require a facility to cease operation until the fee, fine or penalty is paid.

*Senate Floor Vote: 25-13*

*Status: Enrolled*

*For more information on environmental quality issues, contact Edi Thompson at 916/322-2899 or at [edi.thompson@sen.ca.gov](mailto:edi.thompson@sen.ca.gov).*

## Governmental Organization

### ◆ SB 155 (Scott)

Amends the state's conflict-of-interest laws with regards to the definition of "remote interest" by public officials and employees to include a person owning less than three percent of the shares of a contracting party that is a for-profit corporation, provided that the ownership of the shares derived from the person's employment with that corporation.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

### ◆ SB 411 (Ducheny)

Ratifies tribal-state gaming compacts between the state and the La Posta Band of Diegueno Mission Indians in San Diego County and the Santa Ysabel Band of Diegueno Mission Indians in San Diego County. This bill expands gaming in California. Further, the compacts being ratified by this bill grant local governments with veto authority over some tribal decisions and require the tribes to contribute to the General Fund.

*Senate Floor Vote: 27-0*

*Status: Enrolled*

### ◆ SB 578 (Alarcon)

Prohibits the state from entering into any contract with a domestic or foreign company that engages in sweatshop operations. It requires any contractors or subcontractors with which the state conducts business to verify in writing that they do not use or are not supplied by sweatshops. It defines "sweatshop" as labor performed by any person in violation of laws governing wages, employee benefits, occupational health, occupational safety, nondiscrimination, or freedom of association, *including the right to organize unions to bargain collectively*.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

### ◆ SB 930 (Ducheny)

Ratifies the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (IGRA), between the State of California and the Torres-Martinez Desert Cahuilla Indians, executed on August 12, 2003. Unlike the existing compacts, this compact provides that the tribe will pay up to five percent of its revenue from gaming machines to the state's General Fund. This could be interpreted as an infringement on tribal sovereignty.

*Senate Floor Vote: 26-1*

*Status: Enrolled*

### ◆ SB 973 (Machado)

Authorizes the Department of General Services to exchange property in Stockton with the federal government to facilitate the transfer of the Northern California Women's Facility. The bill is completely unworkable in that it requires the federal government to employ state workers at whatever facility it creates with this exchange.

*Senate Floor Vote: 28-9*



*Status: Enrolled*

◆ **AB 14 (Jerome Horton)**

Grants the Los Angeles Unified School District, due to its “unique fiscal and infrastructure difficulties,” the ability to use *job order contracting*, under terms extremely favorable to unions.

*Senate Floor Vote: 24-15*

*Status: Enrolled*

◆ **AB 256 (Kehoe)**

Revises various provisions related to the Director of the State Department of General Services projects for office space on state-owned land on Sacramento's west end and state-owned office space in the City of San Diego. It is designed to spur on the construction of an \$81 million state building in San Diego.

*Senate Floor Vote: 24-14*

*Status: Enrolled*

◆ **AB 287 (Firebaugh)**

Requires the *California Travel and Tourism Commission* to recommend by July 1, 2005, revisions to the California tourism marketing plan to include the promotion of the state's artistic, cultural, historical and ethnic resources. There is no need for legislation to do this.

*Senate Floor Vote: 23-11*

*Status: Chaptered*

◆ **AB 385 (Nakano)**

Authorizes the State Controller to issue itemized statements of earnings electronically (via e-mail) for state employees who request such. Although a worthy goal, at this time of unprecedented fiscal difficulties, the program created by this bill is a luxury, not necessity.

*Senate Floor Vote: 21-31*

*Status: Enrolled*

◆ **AB 827 (B&P)**

Provides that it is not necessary for members of a regulatory board within the Department of Consumer Affairs to have any expertise in the industry being regulated. The bill opens the door to political activists who will be salivating at the chance to regulate an industry that they know nothing about but for which they hold a grudge.

*Senate Floor Vote: 23-11*

*Status: Enrollment*

◆ **AB 846 (Vargas)**

Increases the loss of productivity already experienced by the state from employees who are forced to go outside to smoke. The bill creates an exclusion zone with a 20-foot circumference around any entrance door or operable window at any building occupied by state employees. In many cases this will result in pushing smokers into a parking lot or across the street.

*Senate Floor Vote: 21-13*

*Status: Chaptered*

◆ **AB 1532 (Nakano)**

Seeks to restore budget cuts by transferring responsibility for the California Spaceport Authority, the Challenge Grant Program, and the Technology Planning Program from the State Technology, Trade and Commerce Agency (TTCA) to the State Business, Transportation and Housing Agency (BTHA).

*Senate Floor Vote: 24-11*

*Status: Enrolled*

◆ **AB 1557 (Hancock)**

Declares that Southern California is “the sweatshop capital of the United States.” It prohibits the state from entering into any contract with a domestic or foreign company that engages in sweatshop operations. The bill requires any contractors or subcontractors with which the state conducts business to verify, in writing, that they do not use materials manufactured or supplied by sweatshops.

*Senate Floor Vote: 28-1*

*Status: Enrolled*

◆ **AB 1570 (B&P)**

Authorizes the Department of General Services to provide its services to any public agency for assistance in the general acquisition of goods. Furthermore, provides for the sale or exchange of property in downtown Sacramento between the Department of Veterans Affairs and the University of California for the purpose of providing housing for an intern program.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

*For more information on governmental organization issues, contact Richard Paul at 916/324-5526 or at [richard.paul@sen.ca.gov](mailto:richard.paul@sen.ca.gov).*

# Health & Human Services

## Cloning Issues

### ◆ SB 322 (Ortiz)

Requires DHS to develop guidelines for embryonic stem cell research. This will put the state seal of approval on all embryonic stem cell research in California.

*Senate Concurrence: 23-14*

*Status: Enrollment*

### ◆ SB 771 (Ortiz)

Requires the Department of Health Services (DHS) to establish an anonymous registry of embryos for research purposes (using UC or another entity); continuing taxpayer supported creation and destruction of human life for research.

The author's purpose is to facilitate stem cell research by creating guidelines and improving access to embryos that donors have designated for research purposes. According to the scientific community, in-vitro fertilization (IVF) clinics have embryos in storage, which donors have agreed may be used for research purposes; yet, scientists have no system for locating and accessing these embryos.

Opponents argue medical researchers who promote human embryo destruction for research cite "extra" embryos in in-vitro fertilization labs as if there is such a thing as an extra human life. They recognize that human embryos are human and alive and deserve the right to live not be lab research. Significant work is being done with adult stem cell research without the destruction of human embryos or cloning of human embryos for purposes of deriving human stem cells.

*Senate Concurrence: 24-14*

*Status: Enrollment*

## Medical Marijuana/Needle Exchange

### ◆ SB 295 (Vasconcellos)

Eliminates the 3-year sunset on the Marijuana Research Act of 1999 that appropriated \$3 million annually for three years to UC to conduct research into the use of marijuana for medicinal purposes.

Marijuana studies include new drug therapies that may improve faulty memories, poor motor coordination, epileptic seizures, and glaucoma related injury. However, contradictory evidence exists; euphoric and psychological side effects occur; and some evidence suggests that negative long-term effects result from the inhalation of smoked marijuana. It is unclear that the medicinal use of marijuana outweighs the risks. Many scientific studies have documented the harmful physical and psychological effects of smoking marijuana. Taxpayer funds should not be used to conduct another study in the latest attempt to justify implementation of Prop 215.

*Senate Concurrence: 24-12*

*Status: Enrolled*

#### ◆ **SB 420 (Vasconcellos)**

Establishes a state Medical Marijuana ID card system that will weaken the enforcement of federal laws that prohibit (despite the passage of Proposition 215) the manufacture and distribution of marijuana. Implements the recommendations of the Attorney General's task force on medical marijuana, which are intended to help law enforcement in dealing with medical marijuana use. However, the bill clearly places the state in conflict with Federal law.

SB 420 defines one type of "primary caregiver" as someone who lives in a city/county different from the patient. How can a "primary caregiver" live in a city and county different than the person for whom they are providing the primary care? Given that the only other requirements are that the person be over the age of 18 and designated as the "primary caregiver" by the patient, this seems to be creating a huge hole for questionable individuals to provide drugs to these patients.

It is questionable how this measure would assist law enforcement when it is condoning an act, which is expressly prohibited and prosecutable under the federal law. Essentially, this bill supports a law which in itself appears to be unlawful. Selective enforcement of the law is bad public policy. Law enforcement officers should be consistent about enforcing both the federal and state law.

*Senate Floor Vote: 24-14*

*Status: Enrolled*

#### ◆ **AB 946 (Berg)**

Permits local governments to approve needle exchange programs without having to declare a local emergency every 14 days. This will increase the number of these programs and sustain the dangerous and self-destructive habits of IV drug addicts. The California Narcotics Officers' Association argues that this measure would delete the ongoing oversight provisions of current law (AB 136 of 1999). Are addicts committing crimes? Are the drug abusers actually getting into treatment and off drugs? If this bill is enacted, the needle exchange program just becomes another city or county program alongside street repair program in the annual budget.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

### **Welfare Reform Issues**

#### ◆ **AB 231 (Steinberg)**

Makes changes in the food stamp programs to allow more people to be eligible for welfare, and significantly increases the opportunity for fraud. This measure also eliminates the automobile valuation limit requirement to obtain food stamps. Supporters contend that given the administrative burden and cost associated with applying valuations to vehicles, automobiles should be excluded from the resource limit. Eliminating this requirement, however, will increase the number of persons eligible for food stamps and allow recipients to have cars of any value. This measure also eliminates the face-to-face interview and gives counties the option to grant exemptions to interviews. Federal food stamp regulations permit exceptions in cases of hardship or when a household has no earnings and all members are elderly or disabled. However, face-to-face interviews are only required once a year. Shouldn't people have to take some reasonable action in order to

receive free government benefits? This also gives counties a blank check to eliminate all face-to-face interviews.

*Senate Floor Vote: 25-12*

*Status: Enrolled*

◆ **SJR 3 (Alarcon)**

SJR 3 requests that Congress allow states to use TANF funds for recipients for 24 months past the federal 60 month time limit and that Congress consider “stopping the clock” on recipients who meet the work participation rates. Temporary Assistance for Needy Families was intended to provide limited assistance to those in need, not a permanent program for the working poor.

President Bush has provided a very generous budget for TANF – one that maintains existing funding levels even though states have realized a significant reduction in welfare recipients. California has seen over a 40 percent reduction in recipients, so why should we request an expansion in the federal funds supporting the program? Further, the resolution mentions California's pending economic crisis. TANF has absolutely nothing to do with California's huge deficit, and providing additional federal funds would require an increased General Fund match (MOE) and make the deficit even greater.

*Senate Concurrence: 25-15*

*Status: Enrolled*

*For more information on health and human services issues, contact Debby Rogers at 916/323-8898 or at [debby.rogers@sen.ca.gov](mailto:debby.rogers@sen.ca.gov).*

## Housing & Community Development

### ◆ AB 305 (Mullin)

Requires a city or county to grant an additional density bonus, concession, or incentive to a developer of housing, otherwise entitled to a density bonus or other incentive if that developer includes a child care facility as part of the housing development.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

### ◆ AB 1525 (Longville)

Prohibits the governing documents of a common interest development from prohibiting the owner of a separate interest from posting or displaying noncommercial signs, posters, or banners in a separate interest. Allows an owner of a separate interest to recover attorneys' and court costs if the owner prevails in a legal dispute to enforce this statute. Permits a homeowners' association to impose reasonable size restrictions on signs, banners and posters.

*Senate Floor Vote: 28-9*

*Status: Enrolled*

*For more information on housing and community development issues, contact Alex Alanis at 916/341-5707 or at [alex.alanis@sen.ca.gov](mailto:alex.alanis@sen.ca.gov).*

# Insurance

## ◆ AB 227 (Vargas)

Allows the California Insurance Guaranty Association (CIGA) to issue through the California Infrastructure and Economic Development Bank up to \$1.5 billion in bonds to cover the workers-compensation liabilities of insolvent insurers. Current projections indicate that the CIGA comp category will lack sufficient funds to cover these claims by November 2004 without a cash infusion. Were CIGA to fail to pay in full, responsibility for payment would revert to individual employers.

Raises from 20% to 100% the employer share of responsibility for Department of Industrial Relations costs incurred in administering the comp system (so-called “user funding.”) That projects to a fee increase to employers of \$81.285 million for the fiscal year 2004-05.

Repeals the current vocational-rehabilitation benefit (Labor Code section 139.5) and replaces it with a supplemental job displacement benefit that would fund education-retraining vouchers.

*Senate Floor Vote: 22-12 (Conference Report)*

*Status: Enrolled*

## ◆ AB 996 (Wiggins)

Prohibits an insurer from canceling or non-renewing a property insurance policy covering a reproductive health-services facility because of claims arising from an anti-reproductive rights hate crime, as defined. Also prohibits an insurer from charging an excessive or unfairly discriminatory premium because a facility has been the location of a hate crime during the preceding five years

*Senate Floor Vote: 23-14*

*Status: Enrolled*

## ◆ AB 1181 (Ridley-Thomas)

Requires insurers to provide specified rating information to an insured upon application, issuance and renewal of an auto policy.

*Senate Floor Vote: 27-12*

*Status: Chaptered*

## ◆ AB 1191 (Wiggins)

Requires property insurers, when sending an offer of renewal to a policyholder, to indicate any increase or decrease in the premium charged and provide reasons for any change. Requires in the same notice that the insurer provide a specific telephone number for consumer complaints. For notices of non-renewal, requires the insurer to provide a reason.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

## ◆ SB 2 (Burton)

Imposes a “pay-or-play” system that requires “medium” and “large” employers to fund the purchase of health insurance for employees and some dependents. Specifies that employers would pay at least 80% of the premium costs of the basic benefit package

required, with most employees required to put up the remaining 20%. Medium-employer mandate would take effect in 2007 and only if the Legislature has established by then a tax credit for medium employers to offset 20% of premium costs. The large-employer mandate would begin in 2006. Estimates vary on the cost to business, but even the most conservative estimates start in the billions.

*Senate Floor Vote: 25-15*

*Status: Enrolled*

◆ **SB 24 (Figueroa)**

Establishes that an application for temporary Medi-Cal benefits submitted by a pregnant woman through a provider shall constitute a simplified application for regular Medi-Cal benefits. Requires DHS to adopt two separate electronic enrollment processes for Medi-Cal, one for pregnant women applying at a provider's office and the second for newborns at a hospital.

*Senate Floor Vote: 21-11*

*Status: Enrolled*

◆ **SB 582 (Speier)**

Prohibits the sale or distribution in California of dietary supplements containing ephedrine, subject to certain exceptions. This is an area that is best left to the federal government to regulate.

*Senate Floor Vote: 26-13*

*Status: Enrolled*

◆ **SB 853 (Escutia)**

Places more mandates on health insurers and health plans by requiring the Department of Insurance to adopt regulations ensuring access to language assistance in health-care services.

*Senate Concurrence: 24-12*

*Status: Enrolled*

*For more information on insurance issues, contact Peter Conlin at 916/324-5509 or at [peter.conlin@sen.ca.gov](mailto:peter.conlin@sen.ca.gov).*



# Judiciary

## ***Whistleblowers' Law***

### ◆ **SB 777 (Escutia)**

Creates a unique California "solution" for corporate financial and reporting issues by enacting additional whistleblower" protections for refusal to perform unlawful conduct and for an employee's acts on a previous job. Requires the State Attorney General to maintain a whistleblower hotline for corporate crime and regulatory misconduct and to refer calls to the appropriate investigative or regulatory agency.

*Senate Concurrence: 22-12*

*Status: Enrolled*

## ***Commercial Free Speech***

### ◆ **SB 515 (Kuehl)**

Denies businesses freedom of speech and petition of grievances by restricting their access to the statute which allows others to oppose lawsuits arising from the exercise of their First Amendment rights. Prohibits businesses from using anti-SLAPP motions to protect their right of speech.

*Senate Concurrence: 21-15*

*Status: Chaptered*

## ***Expatriate Corporations***

### ◆ **SB 640 (Burton)**

Establishes the California Taxpayer and Shareholder Act of 2003, which, prohibits a state agency from entering into any agreement or contract with a publicly held expatriate corporation, as defined, or its subsidiary, unless the corporation provides specified shareholder rights and other legal and financial arrangements or the contract serves a compelling public interest.

*Senate Concurrence: 25-13*

*Status: Enrolled*

## ***Privacy***

### ◆ **SB 590 (Speier)**

Prohibits a seller from requesting personal information from a consumer. Requires that the customer shall be provided with a reasonable opportunity to direct that the personal information not be disclosed. Provides for a disclosure of the customer's rights under this measure in a retail environment.

*Senate Concurrence: 25-12*

*Status: Enrolled*

## ***Environmental***

### ◆ **SB 331 (Romero)**

Extends the statute of limitations for injury or illness based upon exposure to a hazardous substance to two years from the later of the date of injury or the date the injured person has reason to suspect that someone has done something wrong to cause the injury.

*Senate Concurrence: 23-1*

*Status: Enrolled*

### ◆ **SB 708 (Florez)**

Increases the fine for smoking vehicles; expands the consumer repair and assistance program to provide assistance for the repair of these gross polluting vehicles; and authorizes local law enforcement to establish check points to visually monitor and cite smoking vehicles.

*Senate Concurrence: 23-12*

*Status: Enrolled*

## ***Labor and Employment***

### ◆ **SB 796 (Dunn)**

Allows employees or their lawyers to act as “private attorneys general” to pursue civil actions against employers for labor code violations. This is currently the exclusive responsibility of the Workforce Development Agency – created just last year by Governor Davis.

*Senate Concurrence: 21-17*

*Status: Enrolled*

### ◆ **AB 76 (Corbett)**

Imposes a duty on an employer to take reasonable steps to prevent employees from being harassed in the workplace by clients or customers or anyone else.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

### ◆ **AB 274 (Koretz)**

Encourages an employee to bring spurious claims for labor violations against an employer. Freezes the employee’s employment status for 90 days by presuming any discipline by the employer in that period to be retaliatory.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

### ◆ **AB 1133 (Koretz)**

Applies a penalty equal to the amount of a final judgment against an employer for unpaid wages and penalties for every six-month period for which the judgment remains unsatisfied.

*Senate Floor Vote: 23-15*

*Status: Enrolled*

◆ **AB 1536 (Goldberg)**

Undermines the procedures that require an individual to use and exhaust administrative procedures before going to court. Makes unnecessary and confusing changes in how discrimination complaints are served on the parties involved. Increases the time to serve a complaint.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

**Landlord/Tenant**

◆ **AB 1059 (Lieber)**

Declares it unlawful for a landlord or the landlord's agent to use fraud, intimidation, or coercion to influence a tenant to vacate a rental dwelling. Permits a court to award a tenant prevailing in an action to enforce these rights up to \$2,000 for each violation. Increases the punitive damages awardable against a landlord for retaliatory actions to a maximum of \$2,000.

*Senate Floor Vote: 22-13*

*Status: Enrolled*

**Quotas and Equal Rights**

◆ **AB 703 (Dymally)**

Hinders the ability to litigate against unfair quotas and racial preferences in state programs pursuant to Proposition 209 by defining "race" and "racial discrimination" in terms of a United Nations Convention to end racial discrimination.

*Senate Floor Vote: Not Available*

*Status: Chaptered*

**Gay Issues**

◆ **AB 205 (Goldberg)**

Expands domestic partner benefits to include court domestic partnership dissolutions, support and probate actions and tax exemptions. Encourages worker's compensation benefits, extended family benefits, and other benefits for domestic partners as if family members contrary to the intent and expression of Proposition 22.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

◆ **AB 17 (Kehoe)**

Allows state agencies to enter into a contract for the acquisition of goods or services only with a vendors/contractors who offer benefits to registered domestic partner employees equal to the benefits the vendor offers to married employees. This bill includes religious institutions in its requirements.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

◆ **AB 196 (Leno)**

Expands the definition of sex to include the perception of a person's sex to be protected from discrimination. This is a re-styling of previous bills to deem cross-dressing a legally protected activity.

*Senate Floor Vote: 23-11*

*Status: Chaptered*

◆ **ACR 89 (Goldberg)**

Encourages the Boy Scouts of America to accept for membership and leadership positions all qualified boys and men, without discriminating on the basis of sexual orientation or religious belief. Recognizes the efforts of boy scouts Boy Scouts who earn the rank of Eagle Scout.

*Senate Floor Vote: 22-15*

*Status: Chaptered*

## ***Controversial Bills Pending***

### **Unfair Competition Law**

◆ **SB 122 (Escutia)**

Enhances the Unfair Competition Law [Business and Professions Code Section 17200 et seq.] as a tool for the plaintiffs' lawyers. Permits courts to require defendants to disgorge earnings subsequent to a violation of the Unfair Competition Law, which is a significant expansion of the remedies under that law. Subjects companies accused of violations to untold amounts of liability. Compels courts to direct moneys disgorged by defendants beyond restitution to "the promotion of justice."

*Status: This bill is on the Assembly Floor.*

◆ **AB 95 (Corbett)**

Requires a person who brings a private action under the Unfair Competition Law ( B&P Section 17200) on behalf of the general public to serve a specified notice on each defendant in the action. This measure is designed and intended to take public pressure off the abuses of Business & Professions Code Section 17200.

*Status: This bill is on the Senate Floor.*

*For more information on judiciary issues, contact Mike Petersen at 916/324-5532 or at [mike.petersen@sen.ca.gov](mailto:mike.petersen@sen.ca.gov)*

## Labor & Industrial Relations

### ◆ SB 75 (Burton)

Makes various changes to last year's contentious legislation that mandates binding arbitration of collective bargaining disputes in agricultural labor relations. Most significantly, the 2008 sunset provision in the law would be repealed by this bill.

When Governor Davis made his decision to side with Big Labor over Farmers last year, the sunset date was portrayed as a tool of moderation. The Democrats have followed their historic model of accomplishing their goals incrementally, as they first passed a "temporary" program and then followed up by making it permanent in SB 75.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

### ◆ SB 179 (Alarcon)

Prohibits employers from contracting for specific types of labor or services where it is presumed that they "know" or "should know" the financial dealings of the contractor. The penalties outlined in this bill for what could amount to a paperwork error are very steep – \$250 per violation, per employee for the first offense; \$1000 for future offenses; and attorney's fees. If the contractor forgets to enter the vehicle identification number on one contract, and forgets to type the phone number on another contract, he could be on the hook for thousands of dollars in fines – depending on how these violations are tabulated and how many employees were "affected."

*Senate Floor Vote: 21-14*

*Status: Enrolled*

### ◆ SB 253 (Cedillo)

Redefines "confidential employee" to more narrowly categorize public school employees who are currently excluded from joining union organizations according to the initial agreements set forth allowing collective bargaining. Deletes the authority of a public school employer to request an election when presented with the request from its employees to be represented by a union. Basically allows a "card-check recognition" to be the proof that the employees agree to be represented by a union organization.

*Senate Floor Vote: 24-14*

*Status: Enrolled*

### ◆ SB 727 (Kuehl)

Prohibits the Director of the Employment Development Department (EDD) from decreasing the rate of worker contributions for the 2004, 2005 and 2006 calendar years regardless of whether the Director determines a decrease is necessary to prevent the accumulation of funds in excess of those needed to maintain the adequacy of the Disability Fund during program implementation. This allows the government to keep more money which should rightfully be returned to workers.

This is a follow-up to last year's SB 1661 (Kuehl), which established the family temporary disability insurance program law. No Republicans voted for last year's bill – floor votes were 21-11 and 46-31.

*Senate Floor Vote: 24-15*

*Status: Enrolled*

◆ **SB 796 (Dunn)**

Allows employees or their lawyers to act as “private attorneys general” to pursue civil actions against employers for labor code violations, which are currently the exclusive responsibility of the Workforce Development Agency, which was just created last year by Governor Davis. The bill would create a bounty hunter mentality among disgruntled or greedy employees, which will increase costs to businesses of all sizes, adding thousands of new cases to our backed-up legal system.

*Senate Floor Vote: 21-17*

*Status: Enrolled*

◆ **SB 868 (Dunn)**

This bill adds to the items included in calculating the prevailing wage rate, effectively increasing the compensation that must be paid to workers on public works projects. Prevailing wages already inflate the cost of building schools, roads and hospitals and limit the ability of government to maximize the power of taxpayer dollars. This bill makes a bad situation worse.

*Senate Floor Vote: 23-15*

*Status: Enrolled*

◆ **AB 76 (Corbett)**

Imposes a duty on an employer to take reasonable steps to prevent employees from being sexually harassed in the workplace by clients or customers or anyone else. The employer community opposes this bill, noting that it would make the employer liable for the act of any persons who comes into contact with an employee in the workplace whether the employer had any knowledge or notice of the potential for such an act. It would make an employer continually at risk without regard to the employer’s fault. The duty is impossible to fulfill.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

◆ **AB 324 (Diaz)**

Expands the role of Department of Industrial Relations with respect to Labor Compliance Programs, thus making a bad situation even worse. Labor Compliance Programs are a tool of organized labor and drive up the cost of constructing schools, diverting resources away from the classroom.

*Senate Floor Vote: 21-15*

*Status: Enrolled*

◆ **AB 331 (Kehoe)**

Provides that employees who become unemployed due to a labor dispute lockout are not subject to the one-week waiting period before they may receive unemployment insurance benefits. This will further drive up costs to the already endangered Unemployment Insurance Fund. This bill is opposed by the California Chamber of Commerce.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

◆ **AB 643 (Mullin)**

Changes criteria for two Cal-OSHA board slots from simply representatives of “labor” to “organized labor,” thus giving unions inflated influence. Also grants the Legislature greater authority to fill vacancies when the Governor fails to do his job.

According to the United States Department of Labor in 2002, of the 13,983,000 employed wage and salary workers in California, only 2,454,000 of these are members of a labor union. Therefore, only 17.5% of the California workforce belongs to a labor union. It would be unfair to disenfranchise the 11.5 million non-union workers from having a representative on the Cal-OSHA board. This board should represent all the workers, not just the politically powerful.

*Senate Floor Vote: 24-15*

*Status: Enrolled*

◆ **AB 899 (Wiggins)**

AB 899 extends binding arbitration over economic disputes involving all employees of the state Department of Forestry and Fire Protection who are members of the firefighter bargaining unit of state employees.

There is no accountability when an outside arbitrator is allowed to make decisions on how to spend taxpayer money – this authority must rest with those directly accountable to taxpayers. Although collective bargaining has its flaws, it at least allows for give and take between “management” and “labor.”

*Senate Floor Vote: 23-14*

*Status: Enrolled*

◆ **AB 1093 (Lieber)**

Establishes a so-called “living wage” to be paid to employees of the state and specified service contractors doing business with state government. A living wage is defined as \$10 per hour plus health benefits or \$12 per hour without health benefits. Future increases would be on auto-pilot as it requires the “living wage” to be adjusted annually to reflect increases in the California Consumer Price Index.

The California Chamber of Commerce opposes this bill and writes, “The California Chamber believes that AB 1093 will increase the cost of procurement contracts by at least 10 percent across the board due to the many new mandates and liabilities imposed by the bill. It is our belief that the main consideration for a procurement contract should be the lowest responsible bid.”

*Senate Floor Vote: 23-16*

*Status: Enrolled*

◆ **AB 1133 (Koretz)**

Provides that if a judgment for unpaid wages or penalties remains unsatisfied for 6 months after the judgment becomes final, a penalty equal to the amount of the judgment is applied, and this penalty is applied again for each additional 6-month period the judgment remains unsatisfied, up to a maximum of 4 times.

The California Manufacturers and Technology Association opposes the bill and wrote, “CMTA opposes allowing the employee to enforce the judgment and collect reasonable attorneys fees and costs. Once the Labor Commissioner has entered a judgment, it should

be the sole responsibility of the commissioner to enforce payment of the judgment, especially in view of their ability to collect costs and reasonable attorney fees.”

*Senate Floor Vote: 23-15*

*Status: Enrolled*

◆ **AB 1262 (Matthews)**

Requires the Insurance Commissioner to adopt regulations setting forth minimum standards for training, experience, and skill that workers’ compensation claims adjusters must possess. The regulations adopted pursuant to this shall encourage the use of existing private and public education, training, and certification programs.

The danger is that over-regulation and imposition of unnecessarily high levels of education standards will result in fewer qualified claims adjusters who work for insurers and medical billing companies and thereby result in higher wages and overhead costs. This results in higher workers’ compensation premiums. Insurers already have strong incentives to hire competent claims adjusters. There is no need for state intervention.

*Senate Floor Vote: 23-13*

*Status: Enrolled*

◆ **AB 1418 (Laird)**

Establishes minimum penalties applicable to public works project wage violations. Requires the Contractors State Licensing Board to make information regarding contractors who the Labor Commissioner has determined to have willfully or intentionally violated labor laws publicly available on its existing web site.

This bill is designed to make employers pay higher fines for wage violations on public works projects. Using the Internet as a public humiliation weapon against employers who may have relatively small violations is not the best way to improve the job climate.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

◆ **AB 1506 (Negrete-McLeod)**

Inflates the cost of construction by requiring that labor compliance programs be applied to all public works projects financed in any part with funds made available by the \$9.95 billion “Safe, Reliable High-Speed Passenger Train Bond Act for the 21<sup>st</sup> Century,” which will appear on the November 2004 ballot.

Labor compliance programs have proven to be a waste of money for schools, costing union workers their jobs and costing the taxpayers to receive less classrooms for their money.

*Senate Floor Vote: 22-15*

*Status: Enrolled*

◆ **AB 1688 (Goldberg)**

Imposes onerous registration, bonding and records-keeping requirements upon car washing businesses. Adds to the workload of the Department of Industrial Relations at a time when they should be reducing their budget. Forces each car wash owner to pay an annual \$250 fee to cover the costs of this new program.

The substance of this bill is substantially similar to SB 1097 (Hayden, 2000), which was vetoed by Governor Davis, who wrote, “I am vetoing this bill because it would impose



additional operational costs on the Department of Industrial Relations that are not budgeted in the 2000 Budget Act. Additionally, I do not believe that the need for car washing and polishing business to register with the Labor Commissioner has been demonstrated.”

*Senate Floor Vote: 24-15*

*Status: Enrolled*

◆ **AB 1719 (Labor Committee)**

Requires the Division of Occupational Safety and Health (DOSH) to notify the complainant within 14 calendar days of taking any action on a complaint, thereby diverting DOSH away from educating employers and preventing workplace injuries.

The California Chamber of Commerce opposes AB 1719 and writes, “Over the past five years, a large number of bills have been enacted that have increased fines and penalties, increased employer liability and added many more laws for Cal/OSHA to oversee and enforce. Proponents of these measures cited a lack of sufficient enforcement by Cal/OSHA as the need for these new laws. Now, these same proponents are proposing to increase Cal/OSHA’s workload even more with shorter reporting requirements, duplicative posting requirements and more bureaucratic paperwork burdens.”

*Senate Floor Vote: 24-15*

*Status: Enrolled*

◆ **SB 228 (Workers’ Compensation Conference Report)**

Although a veto letter would never be written on this bill, it is important to note the existence of the main conference report which emerged from the workers’ compensation conference committee.

The conference committee process which took place the last two weeks of the legislative session was seven months late. We all knew workers’ comp would be a big issue in 2003, and much like the energy crisis of 2000, we waited and waited. The final two weeks of hearings were very informative, but the language of the conference report was hastily drafted. This was evident in press accounts that describe conflict between Senate Democrats and Assembly Democrats. The conflict was also obvious to observers of the hearings, especially on the last night of conference committee, when Democrats did not even know what was in their conference report.

Republicans presented plenty of reform ideas throughout 2003, and the solutions have been staring the Democrats in the face. Unfortunately, the Democrats who crafted the conference report behind closed doors did not have the political courage to take on the powerful special interests who oppose reforming the system.

The Democrats’ conference reports purport to provide approximately \$5 billion in annual savings, along with one-time savings of \$5.3 billion to the workers’ compensation system.

These are not “real” numbers. The legitimate one-time savings are at least \$3 billion less than the propaganda. And the legitimate annual savings are at least \$2 billion less than the propaganda.

This proposal falls woefully short of the minimum \$11 billion of real savings needed to simply begin repairing the system, by rolling it back to workers’ comp costs back to year 2000 figures.

*Senate Floor Vote: 25-10*

*Status: Enrolled*

*For more information on labor and industrial relations/worker's compensation issues, contact Greg Maw at 916/324-5525 or at [greg.maw@sen.ca.gov](mailto:greg.maw@sen.ca.gov).*

## Local Government

### ◆ **AB 94 (Chu)**

Allows a local agency to impose a higher property tax rate to make payments in support of pension programs.

*Senate Floor Vote: 23-15*

*Status: Enrolled*

### ◆ **AB 305 (Mullin)**

Requires a city or county to grant an additional density bonus, concession, or incentive to a developer of housing, otherwise entitled to a density bonus or other incentive if that developer includes a child care facility as part of the housing development, unless the city or county makes a finding that the existing area has adequate child care facilities.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

### ◆ **AB 944 (Steinberg)**

Allows Property and Business Improvement Districts (PBIDs) to use bonds to finance public works and levy assessments on business owners to pay for the bonds.

*Senate Floor Vote: 21-15*

*Status: Enrolled*

### ◆ **AB 1410 (Wolk)**

Requires state or local agencies disposing of surplus land to provide the "first right of refusal" for purchase to specified public agencies when the property is located within an "infill opportunity zone" or "transit village plan."

*Senate Floor Vote: 22-13*

*Status: Enrolled*

### ◆ **SB 83 (Soto)**

Makes it easier for local governments to raise taxes on local citizens.

*Senate Concurrence: 24-12*

*Status: Enrolled*

### ◆ **SB 114 (Torlakson)**

This bill eliminates the authority of a redevelopment agency or local agency to provide any form of financial assistance to a vehicle dealer or big box retailer, as defined, that is relocating from the territorial jurisdiction of one community to the territorial jurisdiction of another community within the same market area; and abolishes the requirement that the California Research Bureau report by January 1, 2004, on the implementation of existing related statute.

*Senate Concurrence: 23-13; Status: Enrolled*

*For more information on local government issues, contact Mike Pettengill at 916/324-7067 or at [mike.pettengill@sen.ca.gov](mailto:mike.pettengill@sen.ca.gov)*

## Natural Resources & Wildlife

### ◆ AB 16 (Jackson)

Imposes rigid operating requirements on offshore oil facilities, including the need to permit and construct new oil transport pipelines and prohibiting the transport of oil in the state other than through pipelines.

*Senate Floor Vote: 21-15*

*Status: Enrolled*

### ◆ AB 23 (Jackson)

Makes several changes to California's Bottle Bill law. It increases the CRV from 2.5 cents to 4-cents for smaller containers and from 5-cents to 8-cents for containers larger than 24 ounces. However, if statewide recycling rates remain below 75 percent by 2007, then the CRV increases to 5-cents and 10-cents, respectively. The bill also addresses the Judge Connelly decision regarding processing fee payments paid by container manufacturers. The bill revises provisions that require a glass container manufacturer to fill-out a standardized rejection form when a load of redeemed glass is rejected, increases the amount of payments for color-sorted cullet and establish a payment for mixed-color cullet, permit incentive payments to be made for glass beverage containers that are collected commingled by curbside recycling programs, and increases from \$23.5 million to \$26.5 million the amount the Department of Conservation is required to pay for convenience zone recycler handling fees for one year.

### ◆ AB 47 (Simitian)

Requires timber harvest plans to include maps depicting the location and boundaries of past, present, or reasonably foreseeable probable future projects and maps depicting pesticide applications that have been reported to the applicable county agricultural commissioner or Director of Pesticide Regulation within the planning watershed in which the THP is located.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

### ◆ SB 649 (Kuehl)

Increases reporting fees on mine operations to fund the Surface Mining and Reclamation Act of 1975 (SMARA) and establishes a new fee on the mining of precious metals to fund identification and reclamation of abandoned mines. The bill prohibits a mine operator from selling sand, gravel, aggregates, and other minerals to cities and counties, unless the local government abides by the same restrictions on the purchase of mineral materials that now apply to state agencies. This bill has been identified by the SRPO as a tax or fee increase bill.

*Senate Floor Vote: 22-16*

*Status: Enrolled*

### ◆ SB 810 (Burton)

Requires that the State Water Resources Control Board certify a timber operation is exempt from waste discharge requirements and that the timber practice complies with an applicable regional water quality control plan. It also requires a timber harvest plan may

not be approved in a watershed unless the appropriate regional water quality control board has certified that the timber operations proposed in the THP will not result in a discharge in violation of the regional water quality control plan. The executive director of a regional water quality control board will be allowed to require the director of CDF to deny a THP if the timber operations affect the regional water quality plan.

*Senate Concurrence: 22-14*

*Status: Enrolled*

*For more information on natural resources and wildlife issues, contact Alex Alanis at 916/341-5707 or at [alex.alanis@sen.ca.gov](mailto:alex.alanis@sen.ca.gov).*

## Public Employment & Retirement

### ◆ **AB 375 (Bermudez)**

Implements the Memoranda of Understanding (MOUs) negotiated between the Department of Personnel Administration (DPA) and employees from several state bargaining units. Increases union bureaucracy, limits the ability of management to evaluate employee performance, contains boilerplate domestic partners language, includes forced dues, and grants more benefits to union members.

*Senate Floor Vote: 21-14*

*Status: Enrolled*

### ◆ **AB 457 (Negrete McLeod)**

Authorizes specified state, local, and school employees to receive credit for up to two additional years of service or two additional years of age, or both, and, in certain circumstances, to receive service credit for accrued leave time, provided specified conditions are met. The bill also authorizes employers under the County Employees Retirement Law of 1937 to offer the same benefit to county employees.

*Senate Floor Vote: 22-11*

*Status: Enrolled*

### ◆ **AB 977 (Diaz)**

Implements the Memoranda of Understanding (MOUs) negotiated between the Department of Personnel Administration (DPA) and employees from Bargaining Unit 9 (the Professional Engineers in California Government). Increases union bureaucracy, grants more benefits and higher pay to union members, reduces worker productivity, and maintains the status quo for domestic partner benefits.

*Senate Floor Vote: 22-13*

*Status: Enrolled*

### ◆ **AB 1082 (Laird)**

Expands the current definition of a domestic partner to include two people who meet the criteria of a domestic partnership, as defined by the contracting agency, if the contracting agency adopted that definition prior to January 1, 2000.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

### ◆ **SB 85 (Torlakson)**

Makes specified domestic partners of county employees eligible for death benefits and survivor benefits, subject to approval by the Board of Supervisors, applicable to all counties in California.

*Senate Concurrence: 22-15*

*Status: Enrolled*

*For more information on PERS issues, contact Mike Pettengill at 916/324-7067 or at [mike.pettengill@sen.ca.gov](mailto:mike.pettengill@sen.ca.gov)*

# Public Safety

## **Controlled Substances**

### ◆ **SB 420 (Vasconcellos)**

Establishes a state Medical Marijuana ID card system that will weaken the enforcement of federal laws that prohibit (despite the passage of Proposition 215) the manufacture and distribution of marijuana. Implements the recommendations of the Attorney General's task force on medical marijuana, which are intended to help law enforcement deal with medical marijuana use. However, the bill clearly places the state in conflict with Federal law.

*Senate Floor Vote: 24-14*

*Status: Enrolled*

## **Firearms**

### ◆ **SB 238 (Scott)**

Revises Roberti-Roos Assault Weapons provisions and requires already authorized gun dealers, who sell assault weapons, to obtain another permit for machine guns. It further extends the lifetime ban on gun possession and bans flame-throwers as "destructive devices."

*Senate Floor Vote: 25-14*

*Status: Enrolled*

### ◆ **SB 489 (Scott)**

Prohibits, as of January 1, 2005, the submission to the DOJ for testing, all center fire and rimfire pistols (not previously identified as unsafe handguns by the DOJ) unless equipped with a chamber load indicator or magazine disconnect device (if applicable). These provisions are to be included in the provisions for the "Unsafe Handgun" testing statute of 2000. This bill effectively bans dozens of handguns that cannot be modified to accommodate the chamber load indicator, and magazine disconnect requirements.

*Senate Floor Vote: 23-16*

*Status: Enrolled*

### ◆ **SB 824 (Scott)**

Authorizes firearms dealers to request any agent who handles, sells, or delivers firearms, obtain and to provide a certificate of eligibility from the Department of Justice. Mandates provisions for securely storing handguns.

*Senate Floor Vote: 24-13*

*Status: Enrolled*

### ◆ **AB 161 (Steinberg)**

Authorizes DOJ to raid the Dealers' Record of Sale Special Account (DROS) fund to pay for the numerous firearm safety programs that have been passed by the Legislature in the past few years. This request comes after years of DOJ Firearms representatives testifying before the Legislature that they could absorb all the costs associated with the various new programs.

*Senate Floor Vote: 22-14*

*Status: Enrolled*

## **Prisons**

### ◆ **SB 278 (Ducheny)**

Provides for the early release of prisoners to a medical facility if they meet certain medically related conditions and are determined by the Board of Prison Terms to no longer pose a public safety threat. This legislation does not apply to condemned prisoners.

*Senate Floor Vote: 24-11*

*Status: Enrolled*

### ◆ **AB 1219 (Montanez)**

Creates a 15-member Correctional Education Board which will have significant control over the portion of the California Department of Corrections (CDC) Budget dealing with correctional education. This bill has been vetoed three different times. Proposed amendments will protect current spending levels on prison education into the future and establish a process whereby the spending level will be augmented by potential cost savings realized by enhanced educational programs.

*Senate Floor Vote: 22-12*

*Status: Enrolled*

## **Miscellaneous**

### ◆ **AB 522 (Diaz)**

Requires city and county employees to accept a Matricula Consular card as equivalent to a California Driver's License or Identification card.

*Senate Floor Vote: 25-14*

*Status: Enrolled*

### ◆ **SB 434 (Escutia)**

Substantially changes the existing law relating to the conduct of investigations by state agencies. Makes the Attorney General a participating party with jurisdiction over corporate securities issues. Increases bureaucracy and gives the Attorney General broad new powers. Creates new criminal penalties for interfering with a securities investigation. Requires the Attorney General to absorb the costs that could adversely effect other important and more appropriate functions.

*Senate Floor Vote: 23-14*

*Status: Enrolled*

*For more information on public safety issues, contact Karen Pank at 916/324-5233 or at [karen.pank@sen.ca.gov](mailto:karen.pank@sen.ca.gov).*



## Revenue & Taxation

### ◆ SB 103 (Alpert)

Gutted and amended to specify that dividends received by a California corporate shareholder from a regulated investment company (RIC) are generally to be included as part of a shareholder's income.

*Senate Concurrence: 23-10*

*Status: Enrolled*

### ◆ SB 566 (Scott)

Increases the rate cap on the 1 transactions and use tax rate cap from 1½% to 2% in any county. This bill was identified by the SRPO as a tax or fee increase bill.

*Senate Concurrence: 22-12*

*Status: Enrolled*

# Transportation

## ◆ SB 60 (Cedillo)

One of the most contentious issues over the past several years has been whether an applicant for a California Drivers' License must establish citizenship prior to receiving a drivers' license. Despite the fact that a drivers' license is not a Visa, the California's driver's license is *de facto* identification. SB 60 not only removed the proof of residency requirements, but relaxes the security of the system by expanding the list of documents accepted to establish identification to include the federal taxpayer identification number, a document that the IRS says cannot be used to establish identity.

In addition to the rampant fraud that this change in law will invite, the measure also calls into question the validity of voter registration rolls. Since the imposition of motor voter, a drivers' license applicant also can fill out their voter registration. Without the SSN requirement on the drivers' license application, there is no longer a system in place to ensure that the SSN # on the voter registration form is accurate. As a result, in addition to having access to identification an illegal alien under SB 60 could register to vote.

Despite the fact that the protections he demanded in previous versions of the bill were stripped out, the Governor signed the measure.

*Senate Concurrence: 23-13*

*Status: Enrolled*

## ◆ SB 314 (Murray), enrolled

Authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose a half-cent sales tax, with the consent of 2/3 of the voters of Los Angeles County, to support a number of specific transportation projects, most of them transit systems.

The MTA already collects \$1.38 billion in local sales taxes as part of its \$2.8 billion budget. Do the people of Los Angeles need to pay yet another sales tax to help support costly transit systems that serve only a fraction of the population? Currently, MTA spends only 10% of its budget on the roads and highways that 95% of the people paying the sales taxes use to get to and from work.

*Senate Concurrence: 26-11*

*Status: Enrolled*

## ◆ AB 427 (Longville), signed into law

Deletes the 20-year limitation on the duration of a local transportation sales tax and provides that any such tax shall remain in effect for the period of time specified in the tax ordinance.

The voters have been asked repeatedly to trust in their elected officials and their transportation planners, that billions in sales tax revenues collected every year would be expended to develop new transportation facilities and reduce the congestion on the freeways. Instead, these revenues have been collected and spent on projects that highlight costly transit alternatives. The current 20-year limitation on these sales tax measures, linked to the two-thirds vote requirement, are two protections the voters have to hold transportation agencies accountable for their spending.

*Senate Floor Vote: Not Available*

*Status: Enrolled*

◆ **SB 915 (Perata), enrolled**

Adopts the San Francisco Bay Area Water Authority (BAWTA) plan for massive expansion of water transit service to be paid for by an additional \$1 toll on Bay Area bridges proposed by SB 916 (Perata).

If the Bay Area believes that a ferry system is a cost effective means of transporting high numbers of passengers to and from their destinations, the people benefiting from these programs (i.e. its riders) should be expected to pay for the program through the fare box, rather than asking Bay Area motorists to foot the bill for them.

*Senate Concurrence: 23-14*

*Status: Enrolled*

◆ **SB 916 (Perata)**

Increases the toll on Bay Area bridges subject to a simple majority vote of the public. Provides for the collection of the toll in perpetuity to fund a host of local and regional transportation projects, the vast majority of which are not directly related to the roads and bridges from which the revenues will be generated.

Requiring the motorists to subsidize expensive and questionably effective transit programs like the Bay Area Water Transit (BAWTA) is bad policy.

*Senate Floor Vote: 25-14*

*Status: Enrolled*

◆ **AB 692 (Dutra)**

Allows three transportation authorities to implement a design-build pilot program to demonstrate its effectiveness in delivering highway projects. However, the measure imposes so many restrictions on the design-build process that it eliminates any possible savings and violates existing law.

AB 692 would require that Caltrans employees do all the engineering, construction inspecting and related activities. This effectively eliminates the ability to use private contractors, a privilege that was guaranteed by the passage of Proposition 35. Such an option should be available.

*Senate Floor Vote: 21-15*

*Status: Enrolled*

◆ **SB 552 (Burton)**

Requires the Department of General Services (DGS) to develop and adopt standards for vehicle procurement that results in: (1) the purchase of vehicles that meet the ULEV II standards for passenger cars by 2006 and trucks by 2010; (2) maximizes the number of available vehicles that meet the Super Ultra-Low Emission Vehicle (SULEV) emission standard; and maximizes the number of hybrid or "Best of Class" vehicles that are more fuel efficient.

As stewards of the public purse, it is important to strike a balance between maximizing taxpayer dollars and the protecting the environment. What will the cost of this conversion be, and where will the revenues come from at a time when the budget is already deep in the red?

*Senate Floor Vote: 25-13*

*Status: Enrolled*

*For more information on transportation issues, contact Ted Morley at 916/322-6670 or at [ted.morley@sen.ca.gov](mailto:ted.morley@sen.ca.gov).*

## **Veterans Affairs**

In spite of a light legislative year, a number of issues have risen to the forefront of California's Veteran Community. Senator Maurice Johannessen has been appointed Secretary of the Department of Veterans Affairs; California continues moving forward with the Greater Los Angeles-Ventura County Veterans Home project; and the results of multiple state audits examining various VA operated programs were released.

The various audits, as well as the construction of new veterans' homes, will continue to be the primary driving force of the Veterans Committee in the upcoming legislative year. Many of the flaws and weaknesses pointed out by the State Auditor have not been adequately addressed by the Department, and will therefore continue to force the Legislatures hand on these issues.

### ***State Audits***

The State Auditor reports that changing demographics and limited funding threaten the long-term viability of the Cal-Vet program while high program costs drain current funding. Additional concerns in the Cal-Vet program are poor budget controls and lack of consistency and efficiency in program operations.

In Report 2001-127, the State Auditor addressed the viability of the Disabled Veterans Enterprise Program. Established in 1989, the Disabled Veteran Business Enterprise (DVBE) program is designed to ensure that disabled veteran business owners have the opportunity to participate in the State's economy. Unfortunately, few departments that award contracts have met the participation goal of 3%.

Report 2000-132 examined the weakened life and disability insurance program that has offered reduced insurance benefits to Veterans. The report pointed out that the department's implementation of the insurance program contains flaws that hamper its ability to manage it effectively.

### ***Veterans Homes***

A significant portion of the mission of the Department of Veterans Affairs is "to provide the state's aged or disabled veterans with rehabilitative, residential, and medical care and services in a home-like environment at the California Veterans Homes." AB 2559 (Wesson, 2002) provided for the construction of three new Veterans Homes to be funded with the Proposition 16 (2000) bond funds. The three homes are part of the Greater Los Angeles County Veterans Homes project (GLACVH) which consists of a main campus in Los Angeles and campuses in Lancaster and Saticoy. The design, construction and equipping of these homes continues to be a source of debate between the Legislature and the Department of Veterans Affairs. As such, this project will continue to be another source of future measures and legislative oversight hearings.

*For more information on banking, commerce and international trade issues, contact Ryan Eisberg at 916/445-6637 or at [ryan.eisberg@sen.ca.gov](mailto:ryan.eisberg@sen.ca.gov)*